

Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-05 NSAE-00 PA-01

RSC-01 USIA-06 PRS-01 SP-02 H-01 EB-07 /035 R

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APPROVED BY ARA/EP:SMPRINGLE

ARA/PAF:WSDIEDRICH (SUBS)

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P 202146Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY LIMA PRIORITY

LIMITED OFFICIAL USE STATE 279206

E.O. 11652: N/A

TAGS: PFOR, EFIN, BDIS, PE

SUBJECT: GREENE SETTLEMENT - U.S. PRESS TREATMENT

1. FOLLOWING Q AND A'S PREPARED FOR DEC 20 NOON PRESS
BRIEFING ON IF-ASKED BASIS:

Q: IS THE DISTRIBUTION OF A PORTION OF THE PROCEEDS TO
EXXON CONSISTENT WITH THE AGREEMENT?

A: YES. UNDER ARTICLE 3 OF THE AGREEMENT THE DISTRIBUTION
IS WITHIN THE EXCLUSIVE COMPETENCE OF THE UNITED STATES
GOVERNMENT AND IS TO BE UNDERTAKEN IN ACCORDANCE WITH OUR
OWN INTERNAL PROCEDURES. THE CLASS OF CLAIMANTS TO
WHICH THE AGREEMENT APPLIES IS DEFINED IN ARTICLE 1. AS
WE HAVE ALREADY NOTED, THE GOVERNMENT OF PERU DOES NOT
CONCUR IN THE DISTRIBUTION OF THE PROCEEDS AS DETERMINED
BY THE DEPARTMENT.

Q: WHAT EFFECT DOES ANNEX A OF THE AGREEMENT HAVE ON THE
OTHER PROVISIONS?

A: ANNEX A - AS IT SO STATES - DOES NOT MODIFY THE
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PROVISIONS OF THE AGREEMENT.

Q: DID THE UNITED STATES ORIGINALLY INTEND TO DISTRIBUTE A PORTION OF THE PROCEEDS TO EXXON?

A: FROM THE OUTSET, WE INTENDED TO APPLY THE AGREEMENT ACCORDING TO ITS TERMS, SO AS TO COVER ALL ELIGIBLE CLAIMANTS.

Q: WAS THE GOVERNMENT OF PERU AWARE THAT THE UNITED STATES GOVERNMENT PLANNED TO DISTRIBUTE A PORTION OF THE PROCEEDS TO EXXON?

A: THE GOVERNMENT OF PERU HAS STATED ITS POSITION REGARDING THE SCOPE OF THE AGREEMENT IN THE PREAMBLE TO THE AGREEMENT AS WELL AS ON OTHER OCCASIONS, THE MOST RECENT BEING DECEMBER 19, IN ITS NOTE OF THAT DATE.

2. FOLLOWING STATEMENT ALSO PREPARED FOR DISTRIBUTION:

QUOTE: THE DEPARTMENT OF STATE, ACTING UNDER THE AUTHORITY OF SECTION 547 OF TITLE 31 OF THE U.S. CODE, DISTRIBUTED ON DECEMBER 19 THE DOLS 76 MILLION RECEIVED FROM THE GOVERNMENT OF PERU UNDER THE AGREEMENT OF FEBRUARY 19, 1974, WITH INTEREST. A LIST OF RECIPIENTS AND THE AMOUNTS RECEIVED BY EACH IS ATTACHED. UNDER ARTICLE 3 OF THE AGREEMENT, THE DISTRIBUTION OF THE PROCEEDS IS THE SOLE RESPONSIBILITY OF THE U.S. GOVERNMENT. THE ELIGIBLE CLAIMANTS WERE DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT. ALL THE AMOUNTS HAVE BEEN AGREED TO BY THE RECIPIENTS. WE UNDERSTAND THAT THE GOVERNMENT OF PERU DOES NOT CONCUR IN THE DISTRIBUTION OF THE PROCEEDS AS DETERMINED BY THE DEPARTMENT. UNQUOTE.

3. FOLLOWING EXCHANGE TOOK PLACE AT NOON BRIEFING DEC. 20 ON THIS SUBJECT:

Q: I HAVE ONE QUESTION REGARDING THE PERUVIAN-U.S. AGREEMENT FOR COMPENSATION OF EXPROPRIATED COMPANIES. I UNDERSTAND THAT THE PERUVIAN GOVERNMENT HAS NOW COMPLAINED THAT THE U.S. PLANS TO PAY OUT SOME OF THE LIMITED OFFICIAL USE

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MONIES TO ESSO STANDARD. WHAT IS THE U.S. POSITION?

A: IT IS OUR UNDERSTANDING THAT UNDER ARTICLE 3 OF THE AGREEMENT THE DISTRIBUTION (THESE ARE THE PROCEEDS) IS WITHIN THE EXCLUSIVE COMPETENCE OF THE UNITED STATES GOVERNMENT AND IS TO BE UNDERTAKEN IN ACCORDANCE WITH OUR OWN INTERNAL PROCEDURES. THIS DOES NOT MEAN, HOWEVER, THAT THE GOVERNMENT OF PERU CONCURS IN THE DISTRIBUTION

OF THE PROCEEDS AS DETERMINED BY THE DEPARTMENT.

Q: BY THE DEPARTMENT. WHAT DEPARTMENT?

A: THIS DEPARTMENT. THE STATE DEPARTMENT. SISCO

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, DEBT REPAYMENTS, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Draft Date: 20 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE279206
Document Source: CORE
Document Unique ID: 00
Drafter: SMPRINGLE
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740371-0458
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741218/aaaaaove.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 20 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 SEP 2002 by WorrelSW>; APPROVED <19 MAR 2003 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GREENE SETTLEMENT - U.S. PRESS TREATMENT
TAGS: PFOR, EFIN, BDIS, PE, US, EXXON
To: LIMA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005